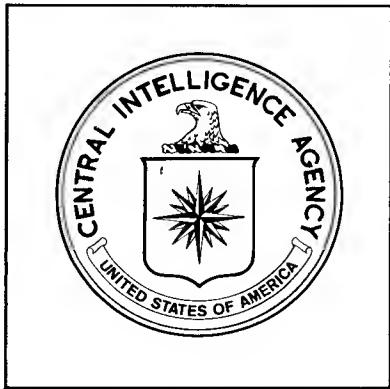


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MIDDLE EAST – AFRICA – SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Iraq

Situation in Kurdistan

The Iraqi army is reported to be in complete control, but acting with restraint, in the northern areas that Kurdish forces had held before their rebellion collapsed last month.

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[REDACTED] there is no substance to stories in the Western press--apparently inspired by Kurdish sources--of devastation and large-scale reprisals by the army against the Kurdish population.

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[REDACTED] Iraqi forces met little resistance in the surprise drive toward the Iranian border they launched immediately after Baghdad and Tehran signed their reconciliation accord in Algiers on March 6. Iraqi army officers told [REDACTED] their forces had succeeded in taking key high ground all along the front by March 13 when the cease-fire requested by Iran went into effect. The officers saw this offensive as a key factor, along with Tehran's abrupt withdrawal of its support for the Kurds in fulfillment of the terms of the accord, in breaking the back of the rebellion.

2)

[REDACTED] The estimated 9,000 Kurdish fighters who vowed last month to continue the struggle have thus far not made their presence known. Other reporting indicates they are lightly armed, have limited supplies and--lacking outside support--could do no more than harass government units.

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1, 2)

[REDACTED] 200,000 Iraqi troops, both regulars and militia, are currently engaged in re-establishing Baghdad's authority in the area; a reduction of this force will probably begin in about two months if all goes well. The army's victory

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came so suddenly that the government has not had time to develop a plan to administer the region. The authorities do seem to be making a serious effort to provide relief services to the population and are spending liberally to improve roads and communications systems. Although a few villages are completely destroyed, most population centers sustained only moderate damage from the many Iraqi air strikes.

1,2) The Kurds themselves are said to be passive and very apprehensive at this point. They appear to be baffled at the absence of reprisals and may fear that punitive measures are still in store. Centuries-old animosities between Arabs and Kurds remain and incidents are likely, particularly if military rule is prolonged. The government may encounter resistance if it attempts to follow through with reported plans to regroup the Kurds in large villages for purposes of security and economy or to resettle them in other parts of the country.

The tripartite teams that are monitoring the border between Iraq and Iran--made up of Iranians, Iraqis, and Algerians--are said to be performing effectively. [REDACTED] their principal mission is to make sure that Kurdish refugees who decided to return from Iran are well treated and transported back to their villages in Iraq. Altogether, between 150,000 and 200,000 of Iraq's 2 million Kurds fled to Iran between March 1974, when the most recent Kurdish rebellion began, and March 31 of this year, when the flow was ended by agreement between Iran and Iraq. Tehran would like to see a large number of the refugees take advantage of Baghdad's offer of amnesty to those who return by the end of this month. It is clear, however, that most of the refugees fear harsh treatment if they were to return home; Iraqi authorities acknowledged [REDACTED] that only small numbers of Kurds have come back. (CONFIDENTIAL)

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Kenya*Foreign Policy*

1,2) In the five months that Foreign Minister Munyua Waiyaki has been in office, Kenya has adopted a friendlier tone to the USSR and China. The change probably reflects Waiyaki's reported advocacy of improved relations with the two communist powers in the hope of attracting new aid. There is little likelihood, however, that the Kenyatta government will alter its basic aloofness from Moscow and Peking.

Last week, the Kenyan government sent two high ranking civil servants to the USSR to explore the possibilities for expanding trade and obtaining Soviet economic and technical aid. The trip followed an overture from the Soviets, who have been trying hard for some time to improve relations with Kenya. At present, only a small part of Kenya's trade is with Moscow, largely because of the Kenyans' dislike of barter agreements favored by the Soviets.

Moscow extended a \$44.4 million credit to Nairobi in 1964, but only \$500,000 of this has been drawn upon. In addition, the Soviets--under a separate grant--built, equipped, and continue to staff a hospital in Kenya. Both commitments were made when Oginga Odinga, a leftist politician, was vice president of Kenya.

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4) Peking has also been seeking better relations with Nairobi. Last September the Chinese sent a resident ambassador to head their embassy in Kenya, which had been in the hands of a charge for several years. Kenyatta still deeply distrusts the Chinese because of their blatant support for Odinga a decade ago; in 1967, Kenyatta closed Kenya's embassy in Peking after his ambassador was roughed up during the cultural revolution. On April 11, however, a high ranking official in Waiyaki's ministry announced publicly that Nairobi was planning to reopen its Peking embassy. He gave no date.

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4 | Waiyaki appears to have some leeway in conducting Kenya's foreign affairs, but he is likely to be reined in by Kenyatta well before he can make any significant changes. In the early 1960s, Waiyaki was a supporter of Odinga and a member of the now outlawed leftist Kenya Peoples Union, but in recent years he won his way back into Kenyatta's good graces. (SECRET NO FOREIGN DISSEM/CONTROLLED DISSEM)

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Mozambique

Economic Talks with Lisbon Proceeding Smoothly

A delegation from Lisbon signed an economic accord on April 15 with Mozambique's transitional government that will be of major benefit to the territory following independence in June. Another round of talks is scheduled for next month.

The Portuguese agreed to transfer to Mozambique the assets and liabilities of both the Mozambique branch of the National Bank of the Overseas and the Portuguese Financial Association which controls one of Mozambique's largest sugar plantations. Agreement was also reached on the formation of a Mozambican company to take over the \$500 million Cabo Bassa hydroelectric project in northern Mozambique. The company will renegotiate contracts for the sale of electricity to South Africa, the principal consumer when the project begins operation. Under current contracts, revenues for the first 15 years of production are committed to loan repayments to South African, Portuguese, and Western European companies that financed construction. Portuguese officials believe electricity sales to South Africa can begin by October or November.

Two remaining issues of major importance to Mozambique will be taken up when the two sides meet again. First, the transitional government wants Lisbon to write off a debt of \$6 million incurred when it borrowed the local reserves of the Portuguese national airline. The transitional government also wants to resolve the issue of ownership of Mozambique's two major shipping companies which were nationalized by Lisbon earlier this week.

So far, talks between the two sides, which began in January, appear to be proceeding smoothly. If they continue at their present pace, Mozambique should have control of most of its economy by independence. (CONFIDENTIAL)

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Zambia

President Kaunda Visits Washington

Zambian President Kaunda, who is making an official visit to Washington this week, has led his country since independence in 1964. Although he has allowed southern African liberation movements limited use of Zambia as a base, Kaunda has at the same time advocated peaceful change in white-ruled southern Africa. He is now cooperating with South Africa's Prime Minister Vorster to try to bring peace and majority rule to Rhodesia.

Kaunda, now 50, led Zambia's struggle to break away from the British-imposed federation that was dominated by white Rhodesians. His Christian missionary parents came from neighboring Malawi, and his detachment from Zambian tribal rivalries has helped cast him as the indispensable father figure who mediates family quarrels. After 11 years as president, he is still playing the role.

Zambia, in 1973, was one of the last of the important African states to adopt a one-party system. Kaunda has sought, with some success, to bring into his one party members of the former opposition parties. Kaunda has avoided the harsh authoritarianism that characterizes other African one-party states.

Although Kaunda clearly would prefer to govern through persuasion and compromise, on rare occasions he has taken strong action against Zambian dissidents. Last month he likewise cracked down on Rhodesian insurgents in Zambia who have maintained separate guerrilla bases despite the unity pact that was agreed to last December by Rhodesia's rival black insurgent groups.

Diplomacy Wins Respect

Kaunda, along with the presidents of Tanzania and Botswana and the leader of the Mozambique Liberation Front, were instrumental in bringing about the

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unity agreement while Prime Minister Vorster pushed Rhodesian Prime Minister Ian Smith into a truce with the black nationalists. Kaunda has been criticized by radical Africans for dealing with Vorster to get a peaceful transition in Rhodesia, but his diplomacy has also won respect. Last week, the foreign ministers of the Organization of African Unity approved his course.

Kaunda's diplomacy, following the coup in Portugal, also helped to achieve a settlement in Mozambique, ending years of guerrilla warfare and providing for independence in June. He is deeply involved in efforts to forge unity among the rival nationalist groups in Angola.

Kaunda espouses "Zambian humanism," and he has faulted both capitalism and communism for putting doctrine over humanity. On international issues, Kaunda has pursued a policy of nonalignment.

He is grateful to the Chinese for their aid in building the Tan-Zam railroad. The line is supposed to free Zambia of the need to use transport routes through white-ruled Rhodesia. He has been relatively cool to the Soviets and visited Moscow for the first time last year. After his stop in Washington, Kaunda intends to visit Cuba and go on to the conference of Commonwealth leaders in Jamaica.

No Serious Strains

Zambia's relations with the US have never been seriously strained. Zambian spokesmen do join other Africans in sniping at US policy, especially US support for the "white redoubt" in southern Africa. Such talk is partly to offset Zambia's restrictions on black guerrillas and its willingness to coexist with white neighbors.

Kaunda is convinced, nevertheless, that the US could do more to loosen white rule in Rhodesia and Namibia (South-West Africa). Zambia's participation in UN sanctions against the Smith regime in Rhodesia has been costly, and Kaunda would like the US to apply

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the sanctions more tightly. Since Kaunda has assumed a key role in the Rhodesian negotiations, he also has urged the US to encourage Pretoria to withdraw South African support from Smith unless he accedes to majority rule.

Well-Endowed

Zambia is richly endowed with mineral resources. Zambia is the world's second largest exporter of copper, shipping most of its output to Japan, the UK, and other European countries. US investment in Zambia totals some \$265 million, most of it in the mining industry.

President Kaunda may want to discuss a number of economic issues. Zambia faces serious problems as a result of rising import costs and falling copper prices. Copper exports provide nearly 95 percent of its foreign revenues. The government is a member of the Intergovernmental Council of Copper Exporting Countries, a group that is setting about to boost world prices.

Zambia's foreign exchange reserves have fallen from a peak of \$360 million in the second quarter of 1974, to about \$100 million. Although it has some import controls, Zambia plans to rely mainly on increased foreign borrowing to meet its bills. US and European banks recently have lent \$150 million and are seeking to arrange a new loan of \$200 million for the mining industry.

Zambia has difficulty transporting copper to the sea. Zambia discontinued use of its principal and most convenient rail outlet through Rhodesia, after the latter temporarily cut off transshipments in January 1973 in an effort to get Zambia to limit the activities of anti-Rhodesian guerrillas.

Trouble has been experienced on all of the alternative routes, causing costly stockpiling at ports and shortages of consumer goods in Zambia.

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Little relief is in sight. Although the Tan-Zam railroad is to extend to Dar es Salaam, Tanzania, plans to expand the facilities at that port are not expected to relieve congestion sufficiently to allow a significant increase in Zambian traffic this year. Plans to expand rail connections through Angola and establish a new line via Mozambique are hampered by lack of financing. (CONFIDENTIAL)



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